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Specialty Property and Casualty Insurance
Fixed and Indexed Annuities

2020 Annual Report



This past year exemplified our ability to create long-term value for our shareholders, even under the most challenging of circumstances.

02 To our shareholders

As we write this year's annual letter, it is difficult to believe that one year has passed since the COVID-19 pandemic changed the way we conduct business and interact with each other. The challenges of 2020 tested us on many levels, and we could not be more proud and grateful for where we are today.

Carl H. Lindner III (left) and S. Craig Lindner
Co-Chief Executive Officers



Years of investing in and testing our business continuity plans prepared us to implement them quickly and successfully at the outset of the pandemic. As a result, AFG employees have remained safe, our businesses continue to run seamlessly and we continue to serve our policyholders and distribution partners well. Beyond the disruption of the pandemic itself, we navigated wide-ranging economic implications, a persistently low interest rate environment and an elevated level of industry catastrophes. Despite these twists and turns, we continued to produce outstanding results and maintain a strong balance sheet. Our operating philosophy has remained consistent and proven over many years, and 2020 certainly illustrated the strength of our business. This past year exemplified our ability to create long-term value for our shareholders, even under the most challenging of circumstances.

At the end of 2020, AFG's financial position was the strongest in our history, with shareholders' equity of nearly \$6.8 billion, a debt-to-capital ratio of less than 18% and excess capital of \$1.2 billion. Our Specialty Property and Casualty (P&C) and Annuity businesses are leaders in the markets they serve.

Our strong culture and values underpin a business built on specialization, entrepreneurial spirit, integrity and accountability. Our values shape how we conduct our business, provide service to our customers, interact with each other and support our communities. Our insureds, producers and employees count on our long-term economic sustainability. They also rely on AFG to deliver on our promises.

We have long believed in the compelling value of AFG's business model, comprised of approximately 35 Specialty P&C businesses and a market-leading fixed and indexed Annuity business. Our business mix and opportunistic operating philosophy have enabled us to outperform industry indices over the long term.

Despite the superior quality of our Annuity business, we believed AFG's Common Shares were undervalued because the market had not fully recognized the value of that business. In addition, there have been new entrants to this market in recent years with less consumer-centric operating philosophies compared to our Company.

As a result, we took several significant actions during 2020 to unlock the value in our Annuity Segment. In the fourth quarter, Great American Life Insurance Company ("GALIC") entered into a reinsurance agreement to cede approximately \$6 billion (statutory basis) of traditional fixed and indexed annuities—representing approximately 15% of in-force business—and transferred related investments. This block reinsurance transaction created approximately \$335 million of excess capital for AFG.

In January 2021, AFG announced a definitive agreement to sell its Annuity businesses to Massachusetts Mutual Life Insurance Company ("MassMutual") for \$3.5 billion in cash. This agreement is subject to final closing adjustments, to the extent that GAAP shareholders' equity excluding accumulated other comprehensive income of the entities sold varies from \$2.8 billion. Prior to completion of the transaction, AFG will acquire approximately \$500 million in real estate-related partnerships and directly owned real estate from GALIC.

Key considerations beyond an appropriate valuation were the continued employment of our Annuity associates, ensuring that our policyholders would be treated fairly, ensuring that our distribution partners would have an impeccable business partner and finding a buyer that would support the local business community.

The transaction is expected to close in the second quarter of 2021, and AFG expects to recognize an after-tax gain of \$620 million to \$690 million (\$7.10 to \$7.90 per AFG share) on

the sale. Beginning with the first quarter of 2021, AFG will report the results of its Annuity business as a discontinued operation.

AFG has achieved a 17% compounded annual growth rate in annuity assets since the beginning of this business in 1974. Through the hard work of our talented employees, we created a compelling Annuity business that has generated considerable value for AFG over its lifetime. The estimated 10-year internal rate of return for AFG's Annuity Segment is approximately 15.5% through the expected closing date.

This transaction significantly increases AFG's liquidity and excess capital position and demonstrates our commitment to creating shareholder value over time.

OUR PORTFOLIO OF BUSINESSES

We conduct our business operations under the Great American Insurance Group brand, and the roots of our flagship company, Great American Insurance Company, extend back to 1872. Maintaining strong financial strength ratings is a priority. Great American Insurance Company is currently rated "A+" by A.M. Best and Standard and Poor's, and we are among only four companies to be rated "A" or better by A.M. Best for more than 110 years. In October 2020, A.M. Best upgraded the Financial Strength Ratings of Great American Life Insurance Company and Annuity Investors Life Insurance Company to "A+" from "A". These A+ ratings reflect the quality of our balance sheet, strong operating performance, appropriate enterprise risk management and a strong risk-adjusted capital position.

Our mix of diverse P&C businesses has a measure of non-correlation that enables us to successfully navigate various economic cycles, produce consistently strong financial results and return capital to our shareholders over time. AFG's compelling portfolio of specialty P&C businesses offers a wide range of coverages in niche industries, backed by our specialized industry knowledge and experienced claims handling.

We build our P&C insurance products upon a deep understanding of many diverse industries and their risks. Approximately half of our P&C gross written premiums are produced by businesses with top-10 market rankings (based on premiums). We are proud of our track record of producing consistently strong operating results and achieving healthy underwriting margins. Over the past 10 years, the statutory combined operating ratio of AFG's property and casualty operations has outperformed the industry by an average of 7.6 points.

We continually evaluate the performance of our businesses and the allocation of capital to achieve targeted returns. Our Lloyd's-based insurer, Neon, and its predecessor, Marketform, failed to achieve AFG's profitability objectives since our purchase of the business in 2008. We placed Neon into run-off in January 2020 and sold Neon to RiverStone Holdings Limited in December 2020, achieving a complete exit from the Lloyd's market. Our exit from this business significantly reduces AFG's catastrophe exposures and enables us to reallocate capital to our other insurance businesses and opportunities that have the potential to earn targeted returns on investment.

Similarly, we regularly act on opportunities to grow our specialty insurance businesses organically as well as by acquisition. This past year, strong pricing momentum enabled us to focus on organic growth in several of our Specialty P&C businesses, even as we experienced a reduction in premiums as a result of the economic slowdown and reduced exposures in some of our businesses.

Our specialty knowledge and focus on the fixed and indexed annuity market allowed AFG to build a compelling Annuity business over many years. Given our long history in the industry, we formed long-term agent relationships and established a reputation for simple, consumer-friendly products. For the year ended December 31, 2020, AFG's Annuity business was ranked #2 in sales of fixed indexed annuities through the financial institutions channel and #11 as a provider of traditional fixed and indexed annuities overall.

2020 RESULTS

Our commitment to building long-term shareholder value starts with maintaining strong and consistent core operating businesses. Our success depends on disciplined underwriting, prudent pricing and careful expense management. Through our entrepreneurial business model and effective alignment of incentives with business objectives, we enable a culture of empowerment and accountability and create a strong foundation for success. In 2020, AFG achieved net earnings of \$732 million or \$8.20 per diluted share, generating a strong return on equity of 14.0%. The \$8.20 earnings per share includes after-tax non-core items that lowered net earnings by \$0.24 per share.

AFG produced core net operating earnings per share of \$8.44 during 2020, a 2% decrease from the record results achieved in 2019. Core operating return on equity was 14.4%. These results reflect record core operating earnings in our P&C insurance operations and strong profitability in our Annuity businesses. Our investment professionals at American Money Management Corporation positioned us well as we entered 2020 and were instrumental in helping us to navigate an uncertain economic environment. We were very pleased with the third- and fourth-quarter rebound in the performance of our alternative investments—including partnership-type investments and AFG-managed collateralized loan obligations—which were adversely impacted by the downturn in the financial markets in the first half of 2020 as a result of the pandemic.

AFG's adjusted book value per share grew to \$63.61 at the end of 2020. Total value creation, measured as the change in adjusted book value per share plus dividends, was \$7.76 per share, or approximately 13.0% during 2020.

Property and Casualty Insurance

Property and casualty core pretax earnings grew to \$776 million in 2020 compared with \$753 million in 2019, an increase of \$23 million, or 3%. Higher year-over-year underwriting profit was partially offset by lower year-over-year net investment income. Lower interest rates and lower earnings from alternative investments marked-to-market through core operating earnings adversely impacted investment income.

Our Specialty P&C insurance operations produced a very strong calendar year GAAP combined ratio of 91.3%. To achieve these results in the wake of continued uncertainty and economic disruption caused by the COVID-19 pandemic and elevated industry catastrophe losses is a testament to the strength and diversity of our core P&C operating businesses. During 2020, our P&C Segment's statutory combined operating ratio outperformed the composite commercial P&C insurance industry by nine points.

Net written premiums decreased 7% in 2020, primarily due to the run-off and sale of Neon. Excluding the impact of Neon, net written premiums grew 1%. Premiums in some of our

businesses—such as commercial auto, workers' compensation and our lender-placed mortgage property business—were adversely impacted by the economic slowdown and reduced exposure bases caused by the pandemic. In others—such as our excess liability, excess & surplus and executive liability businesses—premiums were bolstered by strong renewal rate momentum.

Overall renewal rates rose approximately 11% in 2020. Excluding our workers' compensation business, renewal pricing increased approximately 15%. Renewal pricing in our Specialty P&C Group is the highest we have achieved in over 15 years, with broad-based price strengthening across our portfolio of non-workers' compensation P&C businesses. We continue to be encouraged by the pricing environment, especially our ability to achieve strong renewal rate increases in many of our Specialty Casualty businesses.

We believe the current market conditions reflect a continuation of meaningful renewal pricing increases in response to the low interest rate environment, trends in social inflation, elevated industry loss experience following a heightened level of catastrophes, and higher reinsurance pricing, among other factors. We expect the market to remain firm throughout 2021, allowing us to achieve attractive renewal rate increases in excess of loss costs.

We continue to carefully monitor claims and loss trends related to the COVID-19 pandemic. Given the uncertainties surrounding the ultimate number and scope of claims related to the pandemic, approximately 72% of AFG's COVID-19 related reserves from the \$95 million in charges recorded in the first half of 2020 were held as incurred but not reported at December 31, 2020. These reserves represent our current best estimate of losses from the pandemic and related economic disruption. Our claims professionals and those who support them are working tirelessly to review each claim with the care and attention it deserves.

Loss cost trends across our P&C businesses remain stable overall. We continue to closely monitor loss activity and the impact of social inflation, general loss cost inflation and interest rates. We continue to believe we are prudently reserved based on the types of business we write, and the way we operate our Specialty P&C businesses.

Annuities

Our Annuity Segment reported core pretax earnings of \$359 million in 2020, compared to \$398 million in 2019, a decrease of \$39 million, or 10%, primarily the result of lower earnings from alternative investments that are marked-to-market through core operating earnings and the impact of lower short-term interest rates on investment income. These results generated an after-tax core operating return on equity of approximately 11% in 2020. Because we have designed and priced our annuity products to respond to evolving demographics and changes in financial markets, we remained focused on earning appropriate returns on our products throughout 2020. We began taking more proactive measures to adjust crediting rates, particularly on those products near the end or out of the surrender charge period, which helped us reduce our cost of funds and preserve spread.

Statutory annuity premiums totaled \$4.1 billion in 2020. Annuity sales were lower in nearly all channels in 2020 due to factors related to the COVID-19 pandemic that significantly impacted our access to distribution partners, as well as their access to current and prospective clients. Despite these challenges, our Annuity business continued to achieve strong market leadership.

The Annuity Segment continued to have a very strong balance sheet at December 31, 2020 with unrealized gains in the annuity bond portfolio of \$2.6 billion, risk-based capital in excess of 400%, and capital well in excess of the amounts indicated by ratings agencies to maintain our ratings.

Investments

We view investment management as a core competency and have a highly skilled in-house team of investment professionals. Our \$52.5 billion portfolio, which consists primarily of investment-grade securities, provides a relatively predictable, steady stream of income. By following a consistent, opportunistic strategy over many years and changing economic conditions, we have outperformed market indices over the long term while effectively managing portfolio risk.

Over the 13 years ended December 31, 2020, a time period that captures the beginning of the global financial crisis, returns in our fixed income portfolio have significantly surpassed those of fixed income indices, and our equity portfolio has achieved returns well above those of the S&P 500 Index.

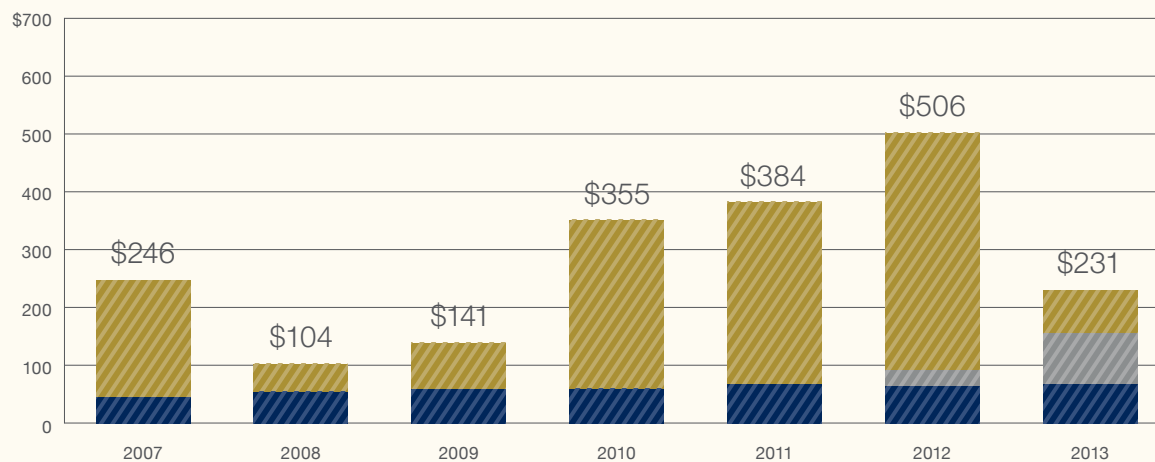
CREATING LONG-TERM VALUE FOR SHAREHOLDERS

Intelligent deployment of AFG's capital is a top priority. We strive to find the highest and best use of capital to create long-term value for our shareholders. We do this through a combination of dividends, share repurchases, acquisitions and the addition of bolt-on or start-up businesses. We also look to grow organically when there is dislocation in the market or other prospects that align with our existing businesses. We regularly evaluate opportunities that have the potential to

SHARE REPURCHASES AND COMMON STOCK DIVIDENDS *(in millions)*

Between years 2009—2012, AFG repurchased 33.7 million shares at a weighted average price of approximately 90.5% of adjusted book value

(book value per share excluding appropriated retained earnings and net unrealized gains (losses) related to fixed maturities).



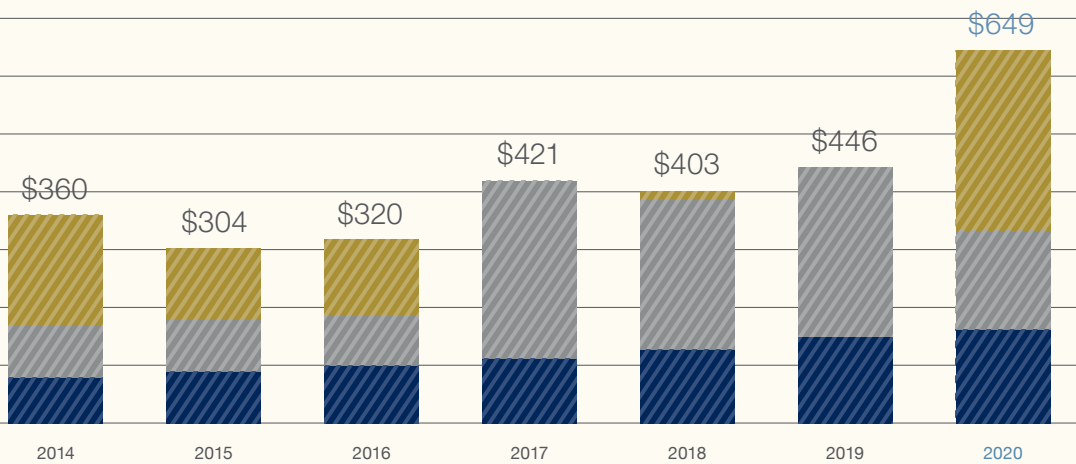
produce desired long-term returns. Alignment with our existing businesses and cultural fit are important considerations when we evaluate opportunities to expand our Specialty P&C insurance portfolio. We maintain financial leverage and capital adequacy at levels that are prudent for our business and consistent with our commitments to ratings agencies. We also maintain sufficient liquidity to respond to business needs and opportunities.

We returned \$649 million to shareholders in the form of regular and special dividends and share repurchases during 2020. We announced an 11% increase in AFG's regular quarterly dividend, to an annual rate of \$2.00 per share, beginning October 1, 2020. This marks the 15th consecutive annual dividend increase for AFG. In addition, we paid a \$2.00 per share special dividend in December 2020. The five-year compounded annual growth in dividends paid to our shareholders was approximately 12.4%, excluding special dividends. Dividend payments and share repurchases have enabled us to return \$2.2 billion to our shareholders over the past five years.

Total shareholder return of AFG's Common Stock price plus dividends for the 10-year period ended December 31, 2020 was approximately 287%, exceeding comparable indices. This measure serves as a benchmark as we evaluate our effectiveness in creating value.

The pending sale of our Annuity business marks a significant event in AFG's history. It sharpens our focus exclusively on the Specialty P&C market, and generates substantial excess capital. On a pro forma basis, assuming completion of the sale, AFG parent cash as of December 31, 2020 was \$3.6 billion, and excess capital increased from the \$1.2 billion reported at December 31, 2020 to an estimated \$4.3 billion. We continue to review options for deploying this excess capital that provide the best opportunity to create long-term value for our shareholders and are consistent with our capital management strategy.

■ Regular Dividends ■ Special Dividends ■ Share Repurchases



The Lindner family continues to hold a sizable interest in AFG's Common Stock. We believe that our significant family investment, together with the shares held by our management team and employees, serves to align our interests with those of our shareholders.

A NEW CHAPTER IN AFG'S HISTORY

AFG's strong foundation and deep industry expertise have enabled us to serve as a trusted provider of financial solutions in the specialty P&C and annuity markets. Our financial strength has been essential in helping us successfully navigate various economic cycles over the years, and this time is no different.

Our track record of success stems from disciplined growth through specialization and from patient, opportunistic management of our business over time, which has enabled us to consistently create long-term value for our shareholders.

Following the sale of our Annuity business, we will become a pure Specialty P&C company. Our balance sheet is strong, our house is in order and we are well positioned to act on opportunities. We are excited about the possibilities that lie ahead as we focus exclusively on our P&C business. There is light at the end of the tunnel as we continue to navigate through what we hope to be the end stages of the pandemic. We see even greater potential as our economy fully reopens, especially in a hardening P&C insurance market where specialization is more important than ever.

Although many factors contribute to our success, our people are always at the core. Our highest goal as an employer is for all people across AFG to feel included, respected, safe and empowered to perform at their best. We help propel their success—and ours—by cultivating specialized knowledge, professional education, leadership development and a service-oriented culture, which helps to ensure that we are equipping and preparing our next generation of leaders. We continue to promote the compelling benefits of a career in insurance to help us attract and retain the best and brightest talent.

We know the decisions we make today will impact our business and our shareholders for years to come. We remain committed to helping build a sustainable future for our customers, agents, investors and employees.

We thank God, our talented management team and our employees for a highly successful year. We also thank you, our shareholders, for your investment and confidence.



S. CRAIG LINDNER
Co-Chief Executive Officer



CARL H. LINDNER III
Co-Chief Executive Officer

March 15, 2021



As of December 31, <i>(in millions, except per share data)</i>	2020	2019	2018
BALANCE SHEET DATA			
Cash and investments	\$ 52,502	\$ 55,252	\$ 48,498
Total assets	73,566	70,130	63,456
Long-term debt	1,963	1,473	1,302
Shareholders' equity	6,789	6,269	4,970
Adjusted shareholders' equity ^A	5,493	5,390	4,898
Book value per share	\$ 78.62	\$ 69.43	\$ 55.66
Adjusted book value per share ^A	63.61	59.70	54.86
Cash dividends per share ^B	\$ 3.850	\$ 4.950	\$ 4.450
Ratio of debt to total capital ^C			
Including subordinated debt	26.6%	21.7%	21.2%
Excluding subordinated debt	17.6%	14.8%	16.4%
Shares outstanding	86.3	90.3	89.3
SUMMARY OF OPERATIONS			
Total revenues	\$ 7,909	\$ 8,237	\$ 7,150
Components of net earnings:			
Core net operating earnings ^D	\$ 752	\$ 784	\$ 761
Realized gains (losses) on securities	229	227	(210)
Annuity non-core earnings (losses)	(149)	(29)	—
Special A&E charges	(54)	(23)	(21)
Neon exited lines	(39)	(58)	—
Loss on retirement of debt	(4)	(4)	—
Other	(3)	—	—
Net earnings attributable to shareholders	\$ 732	\$ 897	\$ 530
Return on shareholders' equity:			
Core net operating earnings ^E	14.4%	14.9%	15.6%
Net earnings ^E	14.0%	17.1%	10.9%
Components of diluted earnings per share:			
Core net operating earnings ^D	\$ 8.44	\$ 8.62	\$ 8.40
Realized gains (losses) on securities	2.56	2.47	(2.31)
Annuity non-core earnings (losses)	(1.67)	(0.31)	—
Special A&E charges	(0.61)	(0.25)	(0.24)
Neon exited lines	(0.45)	(0.64)	—
Loss on retirement of debt	(0.04)	(0.04)	—
Other	(0.03)	—	—
Diluted earnings per share	\$ 8.20	\$ 9.85	\$ 5.85

^AExcludes net unrealized gains (losses) related to fixed maturity securities.

^BIncludes special cash dividends of \$2.00 per share in 2020, \$3.30 per share in 2019, and \$3.00 per share in 2018.

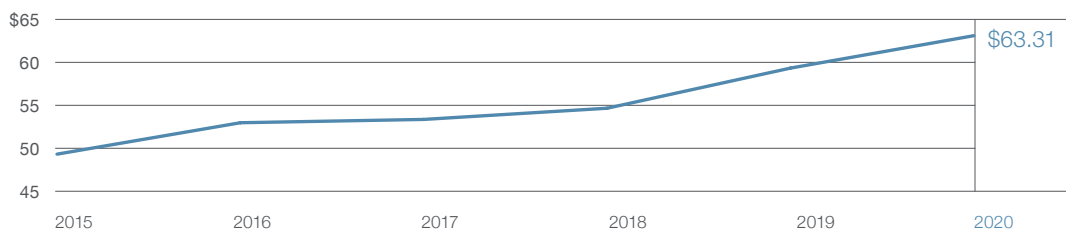
^CThe ratio is calculated by dividing the principal amount of AFG's long-term debt by its total capital, which includes long-term debt, noncontrolling interests and shareholders' equity (excluding unrealized gains (losses) related to fixed maturity investments).

^DCertain significant items that may not be indicative of ongoing core operations are excluded in deriving our core net operating earnings. Though it is not a generally accepted accounting principles (GAAP) measure, it is a key performance measure used by analysts and ratings agencies.

^EExcludes accumulated other comprehensive income.

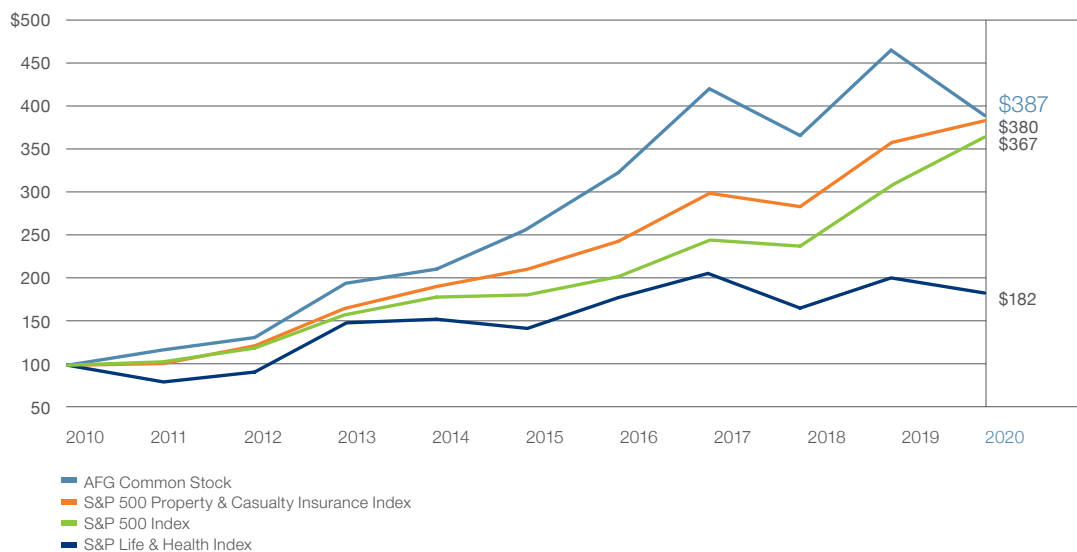
ADJUSTED BOOK VALUE PER SHARE

As of December 31 (excluding net unrealized gains (losses) related to fixed maturities)



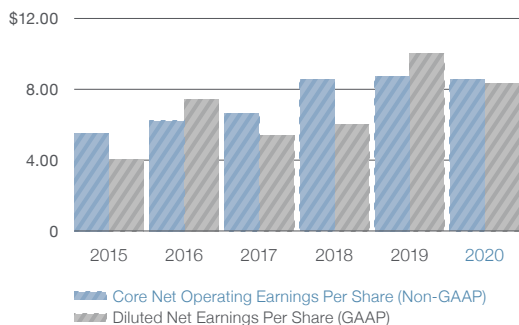
10-YEAR CUMULATIVE TOTAL SHAREHOLDER RETURN

On AFG Common Stock vs S&P indices, as of December 31

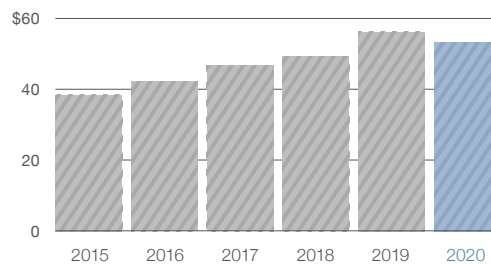


This graph assumes \$100 invested on December 31, 2010 in AFG's Common Stock, the S&P 500 Property & Casualty Insurance Index, the S&P 500 Index and the S&P Life & Health Index, including reinvestments of dividends.

EARNINGS PER SHARE (For the year ended December 31)



INVESTED ASSETS (As of December 31, in billions)



14 Specialty Property and Casualty Insurance Operations

PROPERTY AND TRANSPORTATION GROUP

Agricultural-related

Federally reinsured multi-peril crop (allied lines) insurance covering most perils as well as crop-hail, equine mortality and other coverages for full-time operating farms/ranches and agribusiness operations on a nationwide basis.

Commercial Automobile

Coverage for vehicles (such as buses and trucks) in a broad range of businesses including the moving and storage and transportation industries, as well as alternative risk transfer programs, and a specialized physical damage product for the trucking industry.

Property, Inland Marine and Ocean Marine

Coverage primarily for commercial properties, builders' risk, contractors' equipment, property, motor truck cargo, marine cargo, boat dealers, marina operators/dealers and excursion vessels.

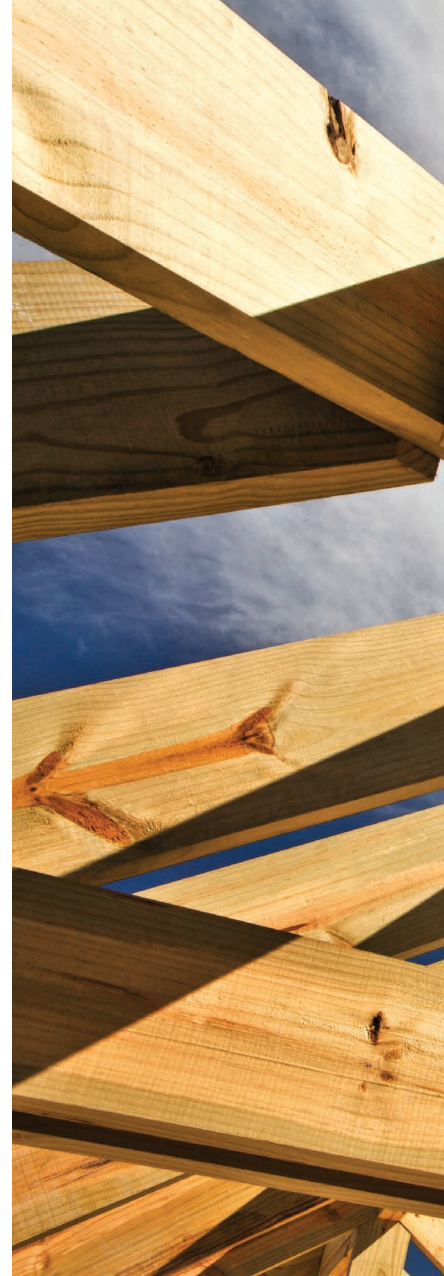
SPECIALTY CASUALTY GROUP

Excess and Surplus

Liability, umbrella and excess coverage for unique, volatile or hard-to-place risks, using rates and forms that generally do not have to be approved by state insurance regulators.

Executive and Professional Liability

Coverage for directors and officers of businesses and non-profit organizations, errors and omissions, cyber, and mergers and acquisitions.





General Liability

Coverage for contractor-related businesses, energy development and production risks, and environmental liability risks.

Targeted Programs

Coverage (primarily liability and property) for social service agencies, leisure, entertainment and non-profit organizations; customized solutions for other targeted markets; and alternative risk programs using agency captives.

Umbrella and Excess Liability

Coverage in excess of primary layers.

Workers' Compensation

Coverage for prescribed benefits payable to employees who are injured on the job.

SPECIALTY FINANCIAL GROUP

Fidelity and Surety

Fidelity and crime coverage for government, mercantile and financial institutions; surety coverage for various types of contractors and public and private corporations.

Lease and Loan Services

Coverage for insurance risk management programs for lending and leasing institutions, including equipment leasing and collateral and lender-placed mortgage property insurance.

Annuity Operations

Fixed and Indexed Annuities

Sold primarily in the retail, financial institution, broker-dealer and registered investment advisor markets.

Note: On January 27, 2021, AFG announced that it entered into a definitive agreement to sell its Annuity business, including Great American Life Insurance Company, to Massachusetts Mutual Life Insurance Company (MassMutual). The sale is expected to close in the second quarter of 2021.





Our Operations

AFG has an entrepreneurial spirit at its core. Experienced professionals manage our Specialty Property & Casualty businesses, each of which handles its own decisions pertaining to underwriting, marketing, claims and policy servicing. This autonomous approach allows our P&C businesses to respond to local and specialty market conditions while also benefiting from centralized investment and administrative support. AFG's annuity professionals oversee a consumer-friendly product portfolio and manage pricing strategies within each of our distribution channels. Our annuity products equip individuals to manage financial risks and help them live their lives to the fullest.

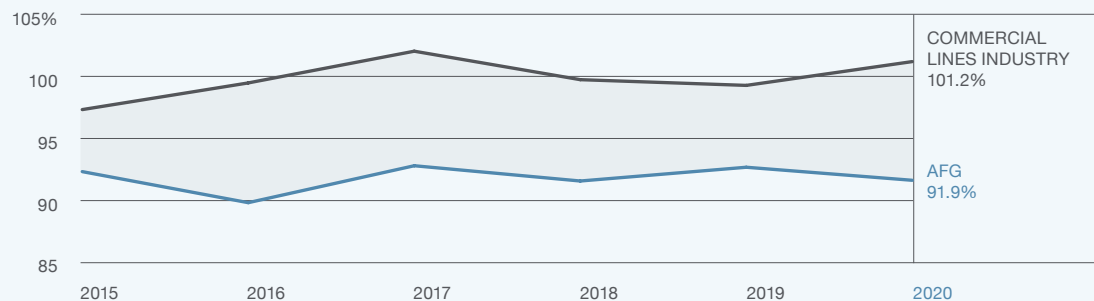
We have achieved solid results for many years with our diversified business model comprising Specialty P&C and Annuity operations. Both businesses are industry leaders in many of the markets that we serve. Our Annuity business and some of our P&C businesses aren't closely correlated to the general P&C cycle, which has helped us achieve more consistent core operating earnings over time.

We have diversified our Specialty P&C portfolio through acquisitions, business bolt-ons and start-ups. Carefully executed dispositions enable us to focus on operational areas where we have deep expertise in developing, delivering and servicing products for specialty niches. Our Annuity Segment sharpened its focus and grew considerably following the height of the global financial crisis in 2008. Our consumer-friendly model and strong ratings have driven significant growth in annuity sales, especially in the financial institutions channel.

Although this model has proven successful for AFG over time, the annuity industry has evolved considerably. New entrants to this market in recent years have what we consider to be less consumer-centric operating philosophies compared with ours. Despite the superior quality of our Annuity business, we believed the financial markets had not fully recognized its value. During 2020, we studied alternatives that could unlock the tremendous value in this business. In January 2021, AFG announced it had entered into a definitive agreement to sell its Annuity businesses to MassMutual. The sale will close in the second quarter of 2021. Beginning with the first quarter of 2021, AFG will report the results of its Annuity business as a discontinued operation.

This transaction significantly increases AFG's liquidity and excess capital position and demonstrates our commitment to creating shareholder value over time. The sale represents a complete exit from the annuity market, and will refocus AFG exclusively on its Specialty P&C businesses.

P&C STATUTORY COMBINED RATIO



Industry Commercial Lines based on data from A.M. Best



20 Specialty P&C Insurance Operations

Our 34 Specialty P&C businesses provide insurance solutions that help our insureds manage their unique operational, industry and market risks. Many of our insurance businesses are leaders in the markets they serve, including crop, fidelity/crime, non-profit/social services, passenger transportation, trade credit, trucking and workers' compensation.

Our diversified book of businesses, strong capital adequacy, disciplined pricing and relatively low windstorm/earthquake and coastal exposures are central to AFG's Specialty P&C strategy. As of December 31, 2020, our net exposure to a catastrophic earthquake or windstorm—of a magnitude that industry models indicate should statistically occur once in every 500 years—was approximately 2% of AFG's shareholders' equity, down from 6% in 2019.

We reward our P&C professionals for helping achieve profitable growth and healthy returns on equity. Therefore, our premium volume varies based on market conditions, including our ability to achieve appropriate pricing

SPECIALTY PROPERTY AND CASUALTY INSURANCE OPERATIONS

GROSS WRITTEN PREMIUMS

Year Ended December 31,

2020

2019

2018

(dollars in millions)

Specialty Property & Casualty Operations	\$ 6,995	\$ 7,299	\$ 6,840
Property and Transportation Group	\$ 2,813	\$ 2,759	\$ 2,645
Specialty Casualty Group	\$ 3,444	\$ 3,768	\$ 3,445
Specialty Financial Group	\$ 738	\$ 772	\$ 750

50%

Share of P&C Group's gross written premiums generated by "top 10" businesses.

and scale. Performance benchmarks and operational and financial measures provide a clear line of sight into our overall results. AFG rewards its business leaders for strong performance through compensation programs that align with our strategic and financial goals. This approach ensures that we grow our business only when we can achieve targeted returns; and sometimes, it prompts us to withdraw from markets that do not meet profit objectives or fit within our business strategy.

One such example is the December 2020 sale of Neon, our Lloyd's-based insurer. The sale of Neon finalized AFG's exit from the Lloyd's market. The exit from this business significantly reduces AFG's catastrophe exposures. It also allows us to continue focusing on our other Specialty P&C businesses and reallocate capital to other opportunities that have the potential to earn targeted returns on investment.

NET WRITTEN PREMIUMS

2020 2019 2018

\$ 4,992 \$ 5,342 \$ 5,023

\$ 1,887 \$ 1,876 \$ 1,754

\$ 2,304 \$ 2,701 \$ 2,509

\$ 604 \$ 617 \$ 602

GAAP COMBINED RATIO

2020 2019 2018

91.3% 93.7% 93.4%

90.4% 95.7% 93.1%

90.0% 93.3% 94.2%

91.8% 85.0% 88.9%

22 Annuity Operations

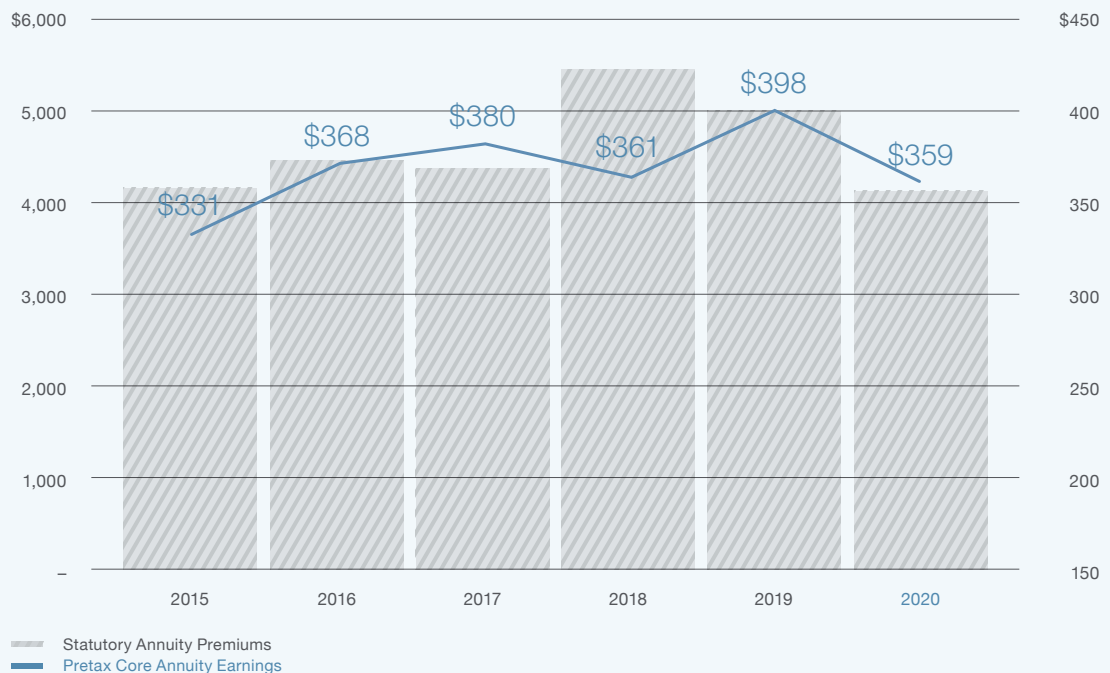
Through the annuity operations of Great American Insurance Group, AFG sells traditional fixed and indexed annuities in the retail, financial institutions, broker-dealer and registered investment advisor markets. Our annuity operations—in alignment with our belief that “It Pays to Keep Things Simple”—help individuals plan for secure financial futures by providing products that are easy to understand and responsive to their needs.

Since the inception of this business in 1974, AFG achieved a 17% compounded annual growth rate in Annuity Segment assets. Our focus on fixed and indexed annuities and away from lines of business without competitive advantage enabled AFG to nearly triple earnings and premiums and more than triple assets since 2009, a time that marks the end of the global financial crisis.

In January 2021, AFG announced it had entered into a definitive agreement to sell its Annuity businesses to MassMutual. The sale will close in the second quarter of 2021. Beginning with the first quarter of 2021, AFG will report the results of its Annuity business as a discontinued operation.

ANNUITY PREMIUM AND EARNINGS GROWTH

Year Ended December 31 (in millions)



We focus on high-quality investments that maximize long-term returns rather than short-term performance. We believe that our investment returns will continue to contribute meaningfully to our earnings and book value growth.

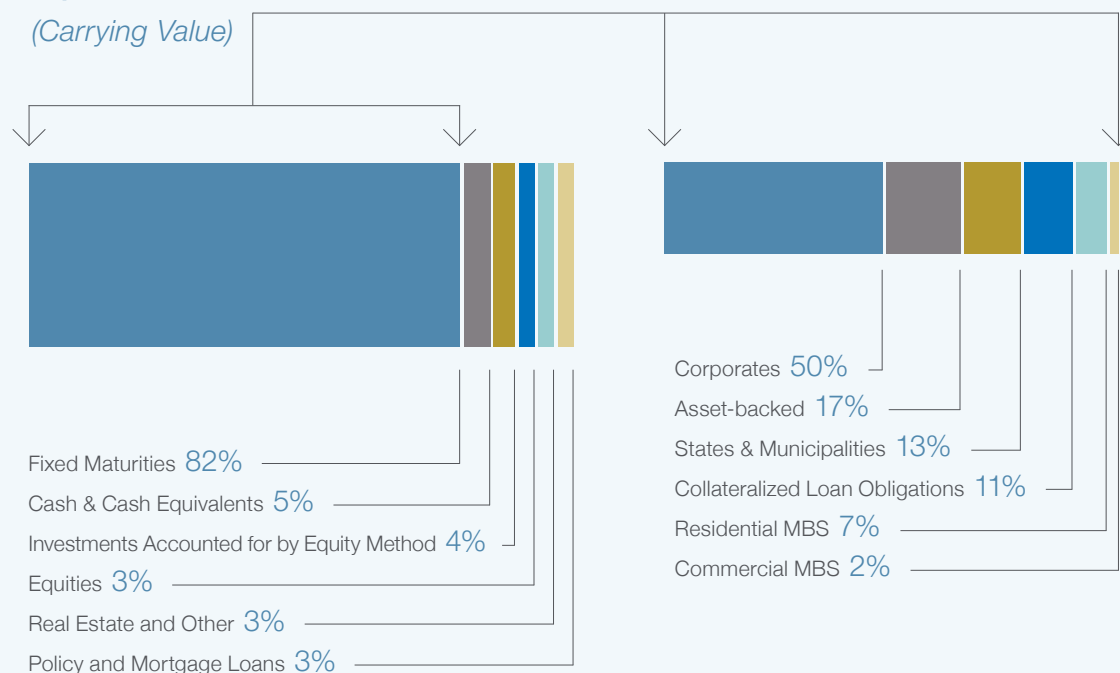
Fixed-income investments—primarily corporate and municipal bonds and asset-backed securities—account for approximately 85% of our total investments. Stocks, real estate and other investments round out our portfolio.

INVESTMENT PORTFOLIO As of December 31, 2020

\$52.5 Billion

(Carrying Value)

Fixed Maturities Overview



Approximately 88% of our fixed maturity investments are rated investment grade and 97% have an NAIC designation of 1 or 2, the highest two levels.

24 Great American Insurance Company is rated **A+ (Superior)** and is one of only four property and casualty insurers to have maintained a financial strength rating of A or better from A.M. Best for more than 110 years.

FINANCIAL STRENGTH RATINGS	A.M. Best*	Standard & Poor's*
SPECIALTY PROPERTY & CASUALTY INSURANCE GROUP		
Great American Insurance Company	A+ (Superior)	A+
Mid-Continent Casualty Company	A+ (Superior)	A+
National Interstate Insurance Company	A+ (Superior)	Not Rated
Vanliner Insurance Company	A+ (Superior)	Not Rated
Republic Indemnity Company of America	A+ (Superior)	A+
Bridgefield Casualty Insurance Company	A+ (Superior)	A+
Bridgefield Employers Insurance Company	A+ (Superior)	A+
El Águila, Compañía de Seguros	A- (Excellent)	Not Rated
Great American International Insurance (EU) DAC	Not Rated	A+
Great American International Insurance (UK) Ltd.	Not Rated	A+
ANNUITY GROUP		
Great American Life Insurance Company	A+ (Superior)	A+
Annuity Investors Life Insurance Company	A+ (Superior)	A+

* Information reflects ratings in effect as of March 15, 2021.

RATINGS

The ratings assigned to AFG by independent agencies such as A.M. Best and Standard & Poor's are an important competitive factor. Agents and brokers who distribute our Specialty P&C insurance products, as well as the agents, advisors and financial institutions that sell our annuity products, often use a company's rating as an initial screening measure when considering their clients' needs. Ratings of financial strength or claims-paying ability apply to individual insurance companies. The ratings criteria and designations vary for each agency. AFG's favorable ratings contribute significantly to our strong, competitive position in the marketplace. (Visit the agencies' websites for information about their rating processes.)



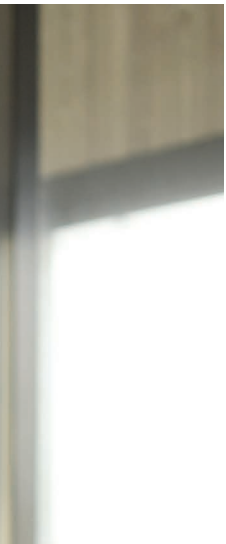
Our People

AFG and its Great American Insurance Group member companies employed about 8,100 employees in approximately 120 office locations globally as of December 31, 2020. We place a high priority on developing talent and leadership skills at all levels of our organization. AFG's people-focused culture—which values clear and open communication and prioritizes family, community and work-life balance—enables us to attract, retain and empower high-caliber individuals. For a closer look at how we create a welcoming and rewarding workplace, visit [GAIG.com/Careers](https://www.gaic.com/Careers).



Corporate Responsibility and Sustainability

AFG's commitment to doing business in a responsible and sustainable manner starts with recognizing that many of our business decisions affect people and organizations in the larger community. We sustain AFG's business success by effectively managing risk—financial, social, and environmental—to help create stability for our customers and deliver value to our shareholders. Learn more about our corporate responsibility efforts at AFGinc.com/About-Us/Corporate-Social-Responsibility.

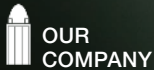


COVID-19 Response

The coronavirus pandemic has had a dramatic impact on the health and well-being of people worldwide. We have taken precautions across our workforce to help protect employees' health and wellness while also responding to the needs of our agents, insureds and claimants.

AFG's long-term investment in the development and testing of business continuity plans enabled us to seamlessly activate those plans during the COVID-19 pandemic. At the onset of the pandemic, our COVID-19 Response Team quickly enacted work-from-home capabilities, alternate work locations and additional remote work options so that our employees could continue to work in an uninterrupted manner and our operations could remain fully functional.

*The 2020 AFG
COVID-19 Employee Pulse Survey**



OUR
COMPANY



HIGH PERFORMANCE
COMPANIES

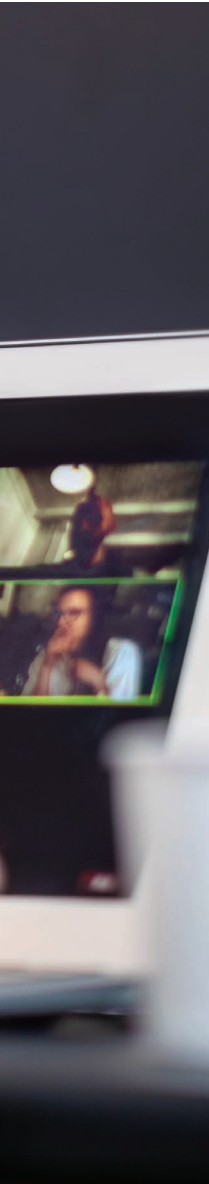
95% vs. 79%

*Employees recommend the Company
as a good place to work**

* Employee Pulse Survey conducted by Korn Ferry in June 2020. Results of AFG/GAIG vs. average scores of Korn Ferry's top performing organizations based on both financial performance and employee engagement.

Read more about AFG's response to the COVID-19 pandemic on our Corporate Social Responsibility page at [AFGinc.com/About-Us/Corporate-Social-Responsibility](https://www.afginc.com/About-Us/Corporate-Social-Responsibility).

We continue to do our part to help prevent the spread of coronavirus by making decisions that are informed by health officials and government leaders and guided by AFG's corporate values. We are extremely proud of our employees as they continue to provide outstanding service and support to our agents and policyholders. Our Company has demonstrated we can operate successfully in a work-from-home environment, and we are grateful for our employees' flexibility, creativity and commitment.



*Results below highlight how our employees feel about the Company's handling of the pandemic and what they think about their role and productivity during the COVID-19 situation.**

98%

The Company is showing care and concern for employees

97%

I have the information I need to do my job well

96%

My work schedule is flexible enough to allow me to meet my family and personal responsibilities



Carl Lindner III, Jim Evans, John Berding, Will Verity, Gina Drosos, Terry Jacobs, Greg Joseph, Craig Lindner. (Standing, left to right)
Mary Beth Martin, John Von Lehman, Evans Nwankwo. (Seated, left to right)

American Financial Group Board of Directors

AS OF MARCH 15, 2021

Carl H. Lindner III
*Co-Chief Executive Officer,
American Financial Group, Inc.*

S. Craig Lindner
*Co-Chief Executive Officer,
American Financial Group, Inc.,
Chief Executive Officer,
Great American Financial Resources, Inc.*

Gregory G. Joseph^{1*}
*Lead Independent Director,
American Financial Group, Inc.,
Executive and Principal of various
automotive retailers known as the
Joseph Automotive Group*

John B. Berding
*President, American Money
Management Corporation*

Virginia "Gina" C. Drosos^{1,3}
*Chief Executive Officer, Signet Jewelers
Limited, a leading specialty retail jeweler*

James E. Evans
*Former Senior Executive Officer
and current Executive Consultant
to American Financial Group, Inc.*

Terry S. Jacobs^{1,2*}
*Chairman and Chief Executive Officer,
The JFP Group, LLC, a real estate
development company*

Mary Beth Martin^{2,3}
*Executive Director of the
Farmer Family Foundation*

Evans N. Nwankwo³
*Founder and President of
Megen Construction Company,
a construction management company*

William W. Verity^{2,3*}
*President, Verity Investment Partners,
an investment management company*

John I. Von Lehman^{1,3}
*Retired Executive Vice President, Chief
Financial Officer and Secretary, The
Midland Company, an Ohio-based
provider of specialty insurance products*

Board of Directors Committees:

1 Audit Committee

2 Compensation Committee

3 Corporate Governance Committee

* Chairman of Committee

Senior Management

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AS OF MARCH 15, 2021

AMERICAN FINANCIAL GROUP, INC.

Carl H. Lindner III
Co-Chief Executive Officer

Vito C. Peraino
*Senior Vice President
and General Counsel*

Karl J. Grafe
*Vice President, Assistant General
Counsel and Secretary*

S. Craig Lindner
Co-Chief Executive Officer

H. Kim Baird
Vice President—Tax

Mark A. Weiss
*Vice President, Assistant General
Counsel and Chief Compliance Officer*

Michelle A. Gillis
*Senior Vice President
and Chief Administrative Officer*

Anthony W. Dunn
Vice President—Internal Audit

Diane P. Weidner
Vice President—Investor Relations

Brian S. Hertzman
*Senior Vice President
and Chief Financial Officer*

Sue A. Erhart
Vice President

David J. Witzgall
Vice President and Treasurer

AMERICAN MONEY MANAGEMENT CORPORATION

John B. Berding
President

ANNUITY OPERATIONS

Mark F. Muething
*President, Chief Operating Officer
and General Counsel*

Timothy J. Minard
*Executive Vice President and
Chief Distribution Officer*

Christopher P. Miliano
*Executive Vice President and Chief
Financial Officer*

Michael J. Prager
*Executive Vice President and
Chief Actuary*

PROPERTY AND CASUALTY OPERATIONS

Gary J. Gruber
President and Chief Operating Officer

Michael E. Sullivan, Jr.
Executive Vice President

Anthony J. Mercurio
Executive Vice President

David L. Thompson, Jr.
Executive Vice President

Annual Shareholders' Meeting

The Annual Shareholders' Meeting will be held on May 19, 2021. Notices will be mailed to all holders of the Company's Common Stock.

Common Stock Market Information

American Financial Group's Common Stock is traded on the New York Stock Exchange under the symbol AFG. On February 1, 2021, approximately 5,000 holders of record own our shares.

Dividend Reinvestment Plan

This plan allows registered shareholders to automatically reinvest the dividends on their AFG Common Stock toward the purchase of additional shares of AFG Common Stock at a 4% discount to the current market price. Dividend Reinvestment Plan information and enrollment forms may be obtained from the Company's Transfer Agent.

Forward-Looking Statements

The disclosures in this 2020 Annual Report contain certain forward-looking statements that are subject to numerous assumptions, risks or uncertainties. Actual results and/or financial condition could differ materially from those contained in or implied by such forward-looking statements for a variety of reasons. Please see "Forward-Looking Statements" in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission.

Additional Information

Investors or analysts requesting additional information, including copies of the American Financial Group, Inc. Form 10-K as filed with the Securities and Exchange Commission, may contact:

Investor Relations, American Financial Group, Inc.
301 E. Fourth Street
Cincinnati, Ohio 45202
513-579-6739
AFGInvestorRelations@amfin.com

SEC filings, news releases and other information may also be accessed on American Financial Group's website at AFGinc.com.

Transfer Agent

Broadridge Corporate Issuer Solutions
P.O. Box 1342
Brentwood, New York 11717
888-789-8804
Shareholder.Broadridge.com/AFG





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